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AGREEMENT

BETWEEN

THE PULLMAN COMPANY

AND THE

**GRAND TRUNK RAILWAY
COMPANY OF CANADA**

Dated June 7, 1916
Effective July 1, 1916
Expires July 1, 1936

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THIS AGREEMENT, made the 7th day of June, A. D. 1916, between THE PULLMAN COMPANY, party of the one part, and the GRAND TRUNK RAILWAY COMPANY OF CANADA, hereinafter called the Railway Company, party of the other part, witnesseth that:

SECTION 1. The Pullman Company shall furnish all standard sleeping cars, including observation sleeping cars, and tourist sleeping cars which the President of the Railway Company may from time to time deem necessary to meet the requirements of travel over the railroads now owned or controlled or operated by the Railway Company and any other roads hereafter owned or controlled or operated by the Railway Company, so long as owned or controlled or operated by the Railway Company (other than the Grand Trunk Pacific and branch lines connecting therewith, and not connecting with the Grand Trunk Railway of Canada, which are expressly excepted from this agreement).

SECTION 2. The Pullman Company, except as hereinafter provided, will at all times during the term of this agreement keep all cars so furnished by it for such business in good order and repair, and from time to time renew, improve and replace the same with other cars of newer style or invention so far as may be necessary to keep such cars operated on the railroads at all times during said term up to the highest standard of such cars furnished to or in use on any competing railway line.

SECTION 3. The Pullman Company shall have the right to collect such fares or tolls from the occupants of such cars, for the use of seats and berths and other

accommodations therein, as are customary on competing lines of railroad where equal accommodations are furnished, and in no case shall such fares or tolls be greater than those charged on competing lines, except with the written permission of the Railway Company, nor without such written permission shall the said fares or tolls be reduced; provided, however, that any and all statutory provisions or requirements and any and all orders and regulations, of any lawfully constituted commission or other government authority, respecting the fares or tolls to be charged, shall be duly observed and complied with by The Pullman Company.

SECTION 4. The Pullman Company will furnish with each of such cars one or more employees—as may be necessary—whose duties shall be to collect the proper fares or tolls from the occupants of said cars, for the use of accommodations therein, and generally to wait upon and provide for the comfort of passengers therein; such employees at all times to be subject to the rules of the Railway Company governing its own employees.

The Pullman Company, in order to maintain service acceptable to the Railway Company and the traveling public, will furnish agents or inspectors to supervise the conduct of employees, cleanliness of cars, etc. while en route, and the Railway Company will transport free over the railroads covered by this agreement the employees, agents or inspectors mentioned in this Section.

SECTION 5. The Railway Company will require its ticket agents, at such offices as may be mutually agreed upon, to sell tickets for accommodations in such cars, and make reports and remittances therefor, without charge to The Pullman Company; and where the

ticket agents of the Railway Company sell the tickets of The Pullman Company, such agents in selling such tickets shall be regarded as agents of The Pullman Company; and the proceeds of such sales and the neglect or mistakes of agents in such sales shall be at the risk of The Pullman Company. Such rules and regulations shall govern the sale and use of seats and berths in the said cars as shall be to the mutual interest of the parties hereto, the Railway Company reserving the right of requiring that no more than one double berth shall be sold for each first-class railway ticket which a passenger may hold.

SECTION 6. Each of the parties hereto will, so far as they lawfully may, furnish free passes to the general and division officers of the other for use on all the lines of railroad operated under this contract.

SECTION 7. The Pullman Company will fully indemnify the Railway Company against any and all claims that may be at any time made as follows:

(a) Claims for infringement of patent rights in the construction and use of any of the cars or appliances which may at any time be furnished or used by The Pullman Company under this agreement, it being however agreed that the Railway Company will obtain the right to use such running gear, platforms, brakes and connections on the said cars as the Railway Company may specially order to be attached thereto for the purpose of conforming with the standards at the time in use by the Railway Company. Whenever such appliances are protected by patents and The Pullman Company has no authority to use the same, the Railway Company hereby agrees that it will

likewise fully indemnify The Pullman Company against any and all claims that may be at any time made for infringement of patent rights in the construction or use of any such appliances.

(b) Claims of employes of The Pullman Company, or of their representatives, on account of death, personal injury or otherwise, however occurring or sustained while employed on or in connection with the use of cars furnished by The Pullman Company under this agreement, including all claims made and compensation payable under the provisions of any workmen's compensation act or statute; provided, however, that where such act or statute provides that an employer may elect to become or not to become subject thereto, this agreement shall not prevent The Pullman Company from exercising its statutory right to such election.

(c) Claims of passengers occupying accommodations in said cars, or of their representatives, on account of death, personal injury or otherwise, sustained while inside said cars and occasioned by or resulting from negligence or omission of duty on the part of either The Pullman Company or any of its employes while in the course of their employment.

(d) The Pullman Company will protect the Railway Company against all taxes and duties, including customs duties not exceeding the present rates, upon such cars, levied or imposed in the operation of this contract.

In all cases where claims are made or any action or proceeding commenced against the Railway Company on account of any of the things above enumerated for which the Pullman Company is, by this

agreement, made responsible, it shall be the duty of the Railway Company to promptly notify The Pullman Company of such claims in order that The Pullman Company may have opportunity to defend in case it desires to do so, and should The Pullman Company fail to so defend, the Railway Company may, itself, defend such action or proceeding, or may compromise and settle the same with the approval of The Pullman Company, and The Pullman Company shall save the Railway Company harmless from all costs and expenses properly incident to such defense or settlement; but the Railway Company, in such cases, shall not have the right to make settlement for The Pullman Company without the approval of The Pullman Company.

SECTION 8. The Railway Company agrees that said cars shall be hauled over the railroads covered by this agreement without charge to The Pullman Company, to and from repair shops, and to and from other points on the lines of railroad as may be necessary for the purposes of this agreement.

SECTION 9. The Railway Company will repair or pay to The Pullman Company the cost of repairing and making good all damages to any of said cars resulting from accident or casualty on the lines of its roads, and on any other roads not having a contract with The Pullman Company upon which any of said cars may be run by direction of the Railway Company, except damages resulting from accident or casualty originating in the interior of said cars, or from defective heating or lighting apparatus of said cars, or from the actual negligence of the employes of The Pullman Company on the cars in the line of their employment.

Whenever under the provisions of this Section The Pullman Company repairs damages for which the Railway Company is responsible, bill against the Railway Company shall represent the damage done to the cars and shall be rendered to and paid by the Railway Company for an agreed amount; if the representatives of the parties hereto cannot agree upon such amount, then upon the basis of actual cost of materials and labor expended on such repairs with an addition of ten per cent (10%), for all overhead expenses, including dead shop labor, handling, store department and general expenses, and, in addition to said ten per cent (10%), any freight charges incurred in moving such cars to shop.

SECTION 10. The Railway Company will lubricate said cars and will furnish and apply to said cars all ice and water, heat, or fuel for heating; light, or oil, fluids or other proper material for lighting, and shall wash and clean the exterior of cars including platforms and vestibules.

This agreement is made with the understanding that where Pullman cars are lighted with electricity generated by axle or other generator on the train, The Pullman Company agrees to and will itself provide and maintain the generators, batteries, wiring, lamps and fixtures for furnishing the light, and the Railway Company agrees to and will pay to The Pullman Company therefor three-tenths of one cent (\$.003) per car per mile for every mile run by said cars when so equipped, upon railroads included in this agreement or upon the roads of other railroad or railway companies not having a contract with The Pullman Company, in through lines or by direction of the officers of the Railway Com-

pany; the aggregate charge not to exceed an average of thirty dollars (\$30.00) per car per month, which rate per mile or per month shall include any cost for charging lighting batteries at terminal stations.

SECTION 11. The Railway Company will, subject to the limitation of its facilities, promptly make all such repairs as may be necessary to put any of said cars in good order whenever requested by The Pullman Company so to do; and shall, without request, make such repairs as may be required at any time to insure the safety of said cars; and when The Pullman Company is by the terms hereof under obligation to make such repairs, shall, at the end of each month, render to The Pullman Company bills therefor, charging the actual cost of materials and labor expended on such repairs, with an addition of ten per cent (10%) for all overhead expenses including dead shop labor, handling, store department and general expenses, and The Pullman Company will promptly pay to the Railway Company the amount thereof.

SECTION 12. The Railway Company will furnish to The Pullman Company, without charge, at convenient points, rooms and necessary facilities for airing and storing bedding, linen, supplies and other movables belonging to or designed for the use of said cars.

SECTION 13. Whenever the gross revenue from the sale of seats and berths and other accommodations in all cars furnished under this agreement shall exceed an average of seven thousand five hundred dollars (\$7,500) per car per annum, The Pullman Company will pay to the Railway Company one-half of such excess over seven thousand five hundred dollars (\$7,500).

SECTION 14. If by reason of competition or legislation, or other cause beyond the control of The Pullman Company, the average gross revenue from the sale of seats and berths and other accommodations in all the cars furnished under this agreement shall be less than an average of six thousand dollars (\$6,000) per car per annum, and continue at less than such rate for two consecutive years, The Pullman Company shall have the right, upon six months' written notice, to terminate this agreement; but in such case the Railway Company shall have the right to purchase the cars then in service upon its lines under this agreement at a price to be mutually agreed upon, or in case of failure to agree, then to be determined by arbitration as provided in Section 18.

SECTION 15. In determining the average number of cars furnished by The Pullman Company and the average gross revenue for the purposes of this agreement, the actual days service of all standard cars, together with 67% of the actual days service of tourist cars, which includes the layover at terminals between trips, plus twenty per centum (20%) for shoppage and idle time, shall be divided by three hundred and sixty-five (365), thus giving the average number of cars, and the aggregate gross revenue shall be divided by the average number of cars so obtained, the result being the average gross revenue per car per annum upon the whole number of cars, provided that in making such determination of the average number of cars furnished and the average gross revenue, the days service as above provided for in this section, of cars operated in through or continuous lines over the railroads covered by this agreement and another railroad or railroads using Pullman cars, shall be pro rated accord-

ing to the mileage of each trip over each road forming a part of such through or continuous line, and fares for seats, berths and other accommodations furnished in such cars over more than one such railroad shall be pro rated according to the mileage of each fare on each railroad.

SECTION 16. It is mutually understood that The Pullman Company will, at the end of each contract year, furnish the Railway Company a statement showing the average earnings per car per annum of the cars furnished under this agreement, and it is understood and agreed that the Railway Company shall have the right to verify such statement by the accounts of The Pullman Company.

SECTION 17. The Railway Company shall have the right to co-operate with other railway companies in forming through or continuous lines of sleeping car service, and it is agreed that in such case sleeping cars not owned by The Pullman Company may, for such purpose, and based upon the proportionate mileage of such other railway company in such through or continuous lines, be run over the lines of railway covered by this agreement. The Pullman Company shall have the right and agrees to furnish its pro rata of sleeping cars for service in such through or continuous lines, based upon the mileage of the Railway Company therein, and shall be entitled to receive all local fares for berths, seats and other accommodations upon the lines of railway covered by this agreement and its pro rata of each through and intermediate fare based upon the mileage proportion thereof on the lines of the Railway Company in such through or continuous lines. It is also hereby agreed that any party holding the right

by contract or otherwise to operate sleeping cars upon the lines of any other railway company forming a portion of the through or continuous lines herein referred to, shall likewise be entitled to receive all local sleeping car fares for seats and berths and other accommodations upon the lines of such other railway company and its pro rata of each through and intermediate fare based upon the mileage proportion thereof on the lines of such other railway company in such through or continuous lines.

SECTION 18. In case the parties hereto shall fail to agree upon the price or value of any cars or equipments to be sold or purchased hereunder, or as to the proper construction of any of the provisions of this agreement, or whenever any differences may arise as to any act or duty claimed to be involved in its performance, such matters and questions shall be submitted to arbitrators, to be chosen in the following manner: The party demanding the reference shall serve upon the other party a notice of such demand, stating the question or matter upon which it demands the judgment of arbitrators, and shall give the name of the arbitrator chosen by it. The party so notified shall, within thirty days after receiving such notice, select a second arbitrator, and notify the other party in writing of such action; and if the said party upon whom the demand for arbitration is made shall fail to select an arbitrator, the arbitrator selected by the party demanding the arbitration shall select a second arbitrator. The arbitrators so selected shall, within a reasonable time, meet and select a third arbitrator and fix the time and place for hearing the parties, of which they shall be notified in writing. In case the two arbitrators appointed by the parties hereto shall fail to appoint

a third arbitrator within thirty days after the appointment of the second arbitrator, then a third arbitrator may be appointed by the Chief Justice of the Court of King's Bench, of the Province of Quebec, on the application of either party after ten days' written notice to the other that such application will be made. In case of the death or failure or refusal to act of any arbitrator, the party by whom he was chosen shall select another to act in his place. The decision of any two of the arbitrators, made after due notice to both parties of the time and place of hearing the matter referred to, and after affording full opportunity to the parties to be heard, and to adduce evidence, shall be final and binding upon both parties and they severally hereby expressly agree to be bound thereby.

SECTION 19. The Pullman Company shall have the exclusive right, so far as the same may be lawfully granted by the Railway Company, to furnish under this agreement all sleeping cars provided for in Section 1 of this agreement for the term commencing on the first day of July, A. D. 1916, and ending on the first day of July, A. D. 1936, unless the same shall be sooner terminated as hereinbefore provided or by mutual agreement of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have
signed, sealed and delivered these presents the
day and year first herein written.

THE PULLMAN COMPANY,

[SEAL]

By J. S. RUNNELLS
President

Attest:

A. S. WEINSHEIMER
Secretary

GRAND TRUNK RAILWAY COMPANY OF
CANADA,

[SEAL]

By E. J. CHAMBERLIN
President

Attest:

FRANK SCOTT
Vice President & Treasurer

